

## Message Text

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ACTION EA-10

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TAGS ECON

SUBJECT: NATIONAL ECONOMIC CONFERENCE: GOVERNMENT CONSULTS

ECONOMIC LEADERS AND ACADEMICIANS

1. BEGIN SUMMARY. AT INITIATIVE OF PREMIER CHIANG CHING-KUO, GROC SPONSORED THREE-DAY NATIONAL ECONOMIC CONFERENCE OF 126 SCHOLARS, PRIVATE SECTOR ECONOMIC LEADERS AND GOVERNMENT OFFICIALS TO EXPLAIN CURRENT GROC ECONOMIC POLICIES AND SOLICIT CONSTRUCTIVE SUGGESTIONS. TWO CENTRAL TOPICS WERE AGRICULTURE AND INDUSTRY, WITH FIVE PANELS PERMITTING DETAILED DISCUSSION AND COLLECTION OF SOME 300 SUGGESTIONS FOLLOWING BRIEFINGS BY KEY GOVERNMENT OFFICIALS. CENTRAL BANK GOVERNOR YU KUO-HUA TO CHAIR MEETING APRIL 4 OF PANEL CONVENERS TO REVIEW RESULTS AND PLAN IMPLEMENTATION OF SUGGESTIONS AS APPROPRIATE. END SUMMARY.

2. AT INITIATIVE OF PREMIER CHIANG CHING-KUO, GROC SPONSORED A NATIONAL ECONOMIC CONFERENCE MARCH 24 THROUGH 26. ONE HUNDRED TWENTY SIX SCHOLARS, AGRICULTURAL, COMMERCIAL AND INDUSTRIAL LEADERS FROM PRIVATE SECTOR AND GOVERNMENT OFFICIALS PARTICIPATED. PURPOSE OF CONFERENCE, AS ANNOUNCED BY PREMIER, WAS TO LET THE PEOPLE KNOW WHAT

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GOVERNMENT IS DOING AND FIND OUT WHAT PEOPLE WANT GOVERNMENT

TO DO. HE SAID THIS IS WHAT "OPEN SOCIETY UNDER A DEMOCRATIC GOVERNMENT MEANS". HE ALSO SAID SIMILAR CONFERENCES SHOULD BE HELD IN POLITICAL, SOCIAL, CULTURAL, AND EDUCATIONAL FIELDS. PREMIER EMPHASIZED THAT A WISE GOVERNMENT MUST RELY ON "COLLECTIVE WISDOM" OF THE PEOPLE, AND SAID THAT POLITICAL STABILITY REQUIRES THAT THE PEOPLE BE WELL OFF. FINALLY, HE SAID ROC COULD BECOME A MODEL FOR OTHER DEVELOPING COUNTRIES, AND THUS GAIN POLITICAL ADVANTAGE OVER MAINLAND.

3. TWO CENTRAL TOPICS OF CONFERENCE WERE AGRICULTURE AND INDUSTRY. AFTER BRIEFING BY GOVERNMENT LEADERS, INCLUDING MINISTERS OF FINANCE AND ECONOMIC AFFAIRS, GOVERNOR OF CENTRAL BANK, CHAIRMAN OF EPC, CHAIRMAN OF JCRR AND DIRECTORS OF BOARD OF FOREIGN TRADE AND INDUSTRIAL DEVELOPMENT BUREAUS, CONFERENCE BROKE UP INTO FIVE PANELS FOR MORE DETAILED DISCUSSIONS AND TO OBTAIN SPECIFIC SUGGESTIONS AS TO WHAT ACTIONS SHOULD BE TAKEN TO IMPROVE CONDITIONS.

4. NO GENERAL CONCLUSIONS WERE REACHED AND NO CONSOLIDATED REPORT WAS COMPLETED BY PANELS. INSTEAD, OVER 300 INDIVIDUAL SUGGESTIONS WERE MADE. SOME OF THE MORE INTERESTING IDEAS WERE: (A) AN EXPORT INSURANCE SYSTEM SHOULD BE SET UP; (B) DOMESTIC BANK OPERATIONS SHOULD BE REFORMED; (C) GOVERNMENT OWNED BANKS SHOULD BE SOLD TO THE PUBLIC; (D) GOVERNMENT SHOULD CONSOLIDATE ORDERS FOR RAW MATERIALS FROM ABROAD AND SIGN LONG-TERM CONTRACTS WITH SUPPLIERS; (E) DEVELOPMENT OF A MONEY MARKET SHOULD BE PROMOTED. RECOMMENDATIONS FOR AND AGAINST DEVALUATION OF THE NEW TAIWAN (NT) DOLLAR ABOUT CANCELLED EACH OTHER OUT.

5. GOVERNOR OF CENTRAL BANK YU WILL CHAIR MEETING OF PANEL CONVENERS APRIL 4 TO STUDY RESULTS OF CONFERENCE AND RECOMMEND FOLLOW-UP ACTIONS.

6. AT CONCLUSION PREMIER APPEARED TO BE VERY SATISFIED WITH CONFERENCE AND TOOK OCCASION TO CONGRATULATE ROC PEOPLE AND GOVERNMENT ON SUCCESSES SO FAR IN ECONOMIC FIELD. HE GAVE THUMBNAIL SKETCH OF CURRENT LIMITED OFFICIAL USE

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GROC POLICIES, REFERRING TO "ECONOMIC DEVELOPMENT AMID STABILITY (OF PRICES)", NEED FOR IMPROVED INDUSTRIAL STRUCTURE, DEVELOPMENT OF HEAVY AND CHEMICAL INDUSTRY, AND COMPLETION OF TEN MAJOR PROJECTS. HE REITERATED (A) INTENTION TO PROMOTE EQUITABLE DISTRIBUTION OF WEALTH AND, (B) OTHER CURRENT POLICIES SUCH AS PROMOTING TECHNOLOGY-INTENSIVE INDUSTRY, SUPPORT FOR SMALL AND MEDIUM SIZE FIRMS AND NEED FOR MAJOR INVESTMENT

IN AGRICULTURE TO KEEP IT FROM LAGGING BEHIND.  
HE TOOK SPECIAL NOTES OF PUBLIC HOUSING PROGRAM, POINTING  
OUT IT CAN PROVIDE DRIVING POWER FOR RELATED INDUSTRIES  
WHILE ABSORBING MANPOWER AND HELPING LIFT STANDARD OF  
LIVING OF PEOPLE.

7. COMMENT. CONFERENCE WAS FURTHER EXAMPLE OF PREMIER'S  
"POPULIST" APPROACH TO PROBLEM SOLVING IN ECONOMIC FIELD,  
FOLLOWING NUMEROUS EXAMPLES IN RECENT PAST SUCH AS  
MEETINGS IN OCTOBER 1974 WITH VARIOUS SECTORS OF EXPORT  
INDUSTRIES, MEETINGS SUBSEQUENT TO NOVEMBER 14, 1974  
AND DECEMBER 9, 1974 PROGRAMS TO EXPLAIN MEASURES AND  
ASSIST IN IMPLEMENTATION. THIS METHOD IS GOOD WAY TO  
KEEP BUREAUCRATS ON THEIR TOES AS RESULT OF FREQUENT  
NEED TO EXPLAIN PUBLICALLY WHAT THEY ARE DOING AND  
WHY AND PROVIDING OPEN CHANNEL FOR SUGGESTIONS FROM  
OUTSIDE WHICH MUST THEN BE REPLIED TO OR IMPLEMENTED  
TO SATISFACTION OF PREMIER. SUBSTANCE OF CONFERENCE  
HARD TO ANALYZE BECAUSE OF MULTIPLICITY OF VIEWS AND  
RECOMMENDATIONS. EMBASSY WILL SEEK OBTAIN CONCLUDING  
DOCUMENTS IF ANY. MAIN POINT APPARENTLY WAS THE MEDIUM,  
NOT THE MESSAGE.  
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